January 2011

The Department is pleased to offer this new corporate short form. This form is designed to reduce the tax-filing burden for certain organizations that are required to file a corporation income and franchise tax return. The use of this return is restricted to the following organizations:

> Those organizations that are described in Internal Revenue Code Sections 401(a) or 501 that file a Federal Form 990-T and that are required to report Louisiana-sourced unrelated business income; or,
>
> Those inactive or dormant Louisiana corporations, having no taxable income to report and having no real and personal property on which Louisiana ad valorem property tax is generally assessed.

This form must be filed electronically and should not be submitted by paper. The electronic submission of the tax return will allow taxpayers an ability to claim the following two refundable credits for which they qualify:

> Louisiana Citizens Insurance Credit and the School Readiness Child Care Provider Credit.

General Information

Important
You must have a Louisiana Revenue Account Number in order to file this return electronically. The Federal Employer Identification Number (FEIN) cannot be used as a replacement to the Revenue Account Number.

Please complete all applicable lines and schedules of the return. Failure to furnish complete information will cause processing of the return to be delayed and may necessitate a manual review of the return.

This return is required to be submitted electronically through LDR's website at *www.revenue.louisiana.gov.* The schedules, worksheet, documentation for the credits claimed, and other work papers used in the preparation of this return should be retained for at least 5 years.

Who must file?
Corporations organized under the laws of Louisiana must file an income and franchise tax return each year unless exempt from both taxes. Any entity taxed as a corporation for federal income tax purposes will also be taxed as a corporation for state income tax purposes.

The use of this return is restricted to the following organizations:

> Those organizations that are described in Internal Revenue Code Sections 401(a) or 501 that file a Federal Form 990-T and that are required to report Louisiana sourced unrelated business income, or
>
> Those inactive or dormant Louisiana corporations, having no taxable income to report and having no real and personal property on which Louisiana ad valorem property tax is generally assessed.

Corporation franchise tax for domestic corporations continues to accrue, regardless of whether any assets are owned or any business operations are conducted, until the entity is dissolved or liquidated through the Louisiana Secretary or State.

Consolidated groups – Louisiana law does not provide for filing consolidated returns. Each corporate entity required to report with Louisiana must file a separate corporate income and franchise tax return.

Subchapter S Corporations – Louisiana law does not recognize Subchapter S corporation status, and a Subchapter S corporation is required to file in the same manner as a C corporation. However, in certain instances, all or part of the corporation income can be excluded from Louisiana tax. For information on the S corporation exclusion of net income, refer to instructions for Line 1B.

Exempt corporations – Louisiana Revised Statute 47:287.501 provides that an organization described in Internal Revenue Code Sections 401(a) or 501 shall be exempt from income taxation to the extent the organization is exempt from income taxation under federal law, unless the contrary is expressly provided. Accordingly, an exempt organization that has income from an unrelated trade or business and files Federal Form 990-T with the Internal Revenue Service is subject to file and report its Louisiana-sourced unrelated business income to Louisiana. Louisiana Administrative Code 61:I.1140 and Revenue Information Bulletin 09-009 have been published providing guidance whereby these organizations are not exempt from taxation on their Louisiana-sourced unrelated business income or income not included under I.R.C. Sections 401(a) or 501.

To report Louisiana-sourced unrelated business income, exempt organizations are required to file a Louisiana Corporation Income and Franchise Tax Return. Form CIFT-620SF has been designed to assist with those requirements. In instances when a multi-state exempt organization earns unrelated business income within Louisiana and outside of Louisiana, Schedules P and Q are also required. These schedules, along with Form CIFT-401W, Unrelated Business Income Worksheet for IRC 401(a) and 501 Organizations, and the instructions for CIFT-620SF are available on LDR's website at www.revenue.louisiana.gov to serve as a guide in determining the amount of Louisiana-sourced unrelated business income that the organization must report. Additionally, the worksheet can be used to determine the amount of federal income tax that is allowed as a deduction.

An organization claiming exemption under R.S. 47:287.501 must submit a copy of the Internal Revenue Service ruling establishing its exempt status. Refer to R.S. 47:287.501B for additional exemptions provided for banking corporations. Information concerning exemptions from corporate franchise tax can be found under R.S. 47:608. Those corporations that meet the prescribed standards of organization, ownership, control, sources of income, and disposition of funds must apply for and secure a ruling of exemption from the Department.

When to File - Dormant or Inactive Corporations
For dormant or inactive corporations, a 2010 calendar year return is due on or before April 15, 2011. Returns for fiscal years are due on or before the 15th day of the fourth month following the close of the taxable year. If the due date falls on a weekend or holiday, the return is due the next business day and becomes delinquent the following day.

When to File - Non-profit Entities
For non-profit entities, a 2010 calendar year return is due on or before June 15, 2011, as provided under R.S. 47:287.614(A)(2). Returns for fiscal years are due on or before the 15th day of the sixth month following the close of the taxable year. If the due date falls on a weekend or holiday, the return is due the next business day and becomes delinquent the following day.

Extension of Time for Filing a Return
The Secretary of the Louisiana Department of Revenue may grant an extension of time for filing the combined corporation income and franchise tax return not to exceed seven months from the date the return is due. Extensions must be filed before the due date of the return. An online application to file the extension can be found on LDR's website, www.revenue.louisiana.gov.

Periods to be covered
The return must be filed for either a calendar year, a fiscal year (12-month accounting period ending on the last day of any month other than December), or a 52 - 53 week accounting period. The accounting period must be the same as that used for federal income tax purposes.

Returns for a period of less than 12 months can not be filed on Form CIFT-620SF. Please use Form CIFT-620 to file a return for a short period.

Mark the appropriate circle to indicate the filing of a final return.

Amended returns
Mark the appropriate circle to indicate the filing of an amended return. The taxpayer must have filed Form CIFT-620SF as the original return in order to file an amended Form CIFT-620SF. A detailed explanation of the changes and a copy of the Federal Form 1120X, Amended US Corporation Income Tax Return, or an amended Federal Form 990-T should be retained in case supporting documentation is requested.

Report of federal adjustments
R.S. 47:287.614(C) requires every taxpayer whose federal return is adjusted to furnish a statement disclosing the nature and amounts of such adjustments within 60 days after the adjustments have been made and accepted. This statement should accompany the amended return.

Rounding to whole dollars
Round cents to the nearest whole dollar on Form CIFT-620SF. Total prepayments, including any credit carried forward from last year, should also be rounded to the nearest whole dollar.

Instructions for Completing Form CIFT-620SF

Lines A through H – All taxpayers must answer the questions on Lines A through H. For Line G, please enter the corporation's six-digit North American Industry Classification System Code (NAICS).

Computation of Income Tax

Line 1A – Louisiana net income – Dormant and inactive corporations that are Louisiana domiciled are allowed to file CIFT-620SF. By definition, a dormant or inactive corporation is one in which no business activity takes place. Since these entities will have no Louisiana net income, Form CIFT-620SF is pre-populated with zeros.

Exempt organizations that are subject to file and report its Louisiana-sourced unrelated business income should use Form CIFT-401W, Unrelated Business Income Worksheet for IRC 401(a) and 501 Organizations, to compute its unrelated business net income.

Line 1B – Subchapter S Corporation Exclusion – R.S. 47:287.732(B) provides an exclusion to corporations classified as S corporations under federal law. The exclusion is determined by multiplying Louisiana net income by a ratio calculated by dividing the number of issued and outstanding shares of the S corporation's capital stock owned by Louisiana residents on the last day of the S corporation's taxable year by the total number of issued and outstanding shares of capital stock on the last day of the S corporation's taxable year. For the purposes of this provision, Louisiana residents include resident estates and trusts and resident and nonresident individual shareholders who have filed a correct and complete Louisiana income tax return and paid the tax due.

Line 1C – Federal Income Tax Deduction – By definition, a dormant or inactive corporation is one in which no business activity takes place. These entities will have no Louisiana net income, and no federal income tax deduction is allowed. In unusual cases when a dormant or inactive corporation has Louisiana net income to report and chooses to be viewed as a Subchapter S corporation, all of the income is taxed at the individual level. A federal income tax deduction is not allowed.

For exempt or nonprofit entities that are reporting Louisiana unrelated business income, the federal income tax deduction is calculated on CIFT-401W, Line 5.

Line 1D – Louisiana taxable income - Subtract Lines 1B and 1C from Line 1A.

Line 2 – Louisiana income tax – This amount is computed using Schedule E, Calculation of Income Tax.

Line 3 – Prepayments – Use Schedule I to calculate the total amount of prepayments made for this filing. Include credit from a prior year return, declaration payments, and amounts paid on extension requests.

Line 4 – Amount of income tax due or overpayment – Subtract Line 3 from Line 2 and enter the result. Indicate an overpayment by stating the amount in parenthesis. For example, a one thousand dollar overpayment would be expressed as (1,000).

Computation Of Franchise Tax

Line 5A – Total Capital Stock, Surplus, and Undivided Profits – Enter the amount of total franchise taxable base from Schedule B - Liabilities and Capital - Computation of Franchise Tax Base

Line 5B – Franchise tax apportionment percentage – This number must be 100%.

Line 5C – Louisiana taxable base – Multiply Line 5A by Line 5B and enter the result.

Line 6 – Louisiana franchise tax – Enter the amount of franchise tax calculated from Schedule F - Calculation of Franchise Tax. R.S. 47:601, amended during the 2009 Regular Legislative Session eliminated the amount of minimum franchise tax due. As a result, the amount of franchise tax calculated is the amount of franchise tax due.

Line 7 - Prepayments – This amount is from Line 3.

Line 8 – Amount of franchise tax due or overpayment – Subtract Line 7 from Line 6 and enter the result. Indicate an overpayment by stating the amount in parenthesis. For example, a one thousand dollar overpayment would be expressed as (1,000).

Net Amount Due

Line 9 – Total income and franchise tax due or overpayment – Add Line 4 and Line 8. Indicate an overpayment by stating the amount in parenthesis. For example, a one thousand dollar overpayment would be expressed as (1,000).

Line 10 – Louisiana Citizens Insurance Credit – Enter the amount of the Louisiana Citizens Property Insurance assessment that was included in your property's insurance premium. Documentation, including proof of payment for each property should be retained and provided to LDR when requested.

Line 11 – School Readiness Child Care Provider Credit – R.S. 47:6105 allows a refundable credit for a child care provider who operates a facility or facilities where care is given to foster children in the custody of the Louisiana Department of Children and Family Services or to children who participate in the Child Care Assistance Program administered by the Louisiana Department of Children and Family Services. The credit is based on the average monthly number of children who attended the facility multiplied by an amount based on the quality rating of the child care facility.

Line 12 – Net Income and Franchise Tax Overpayment – Subtract Lines 10 and 11 from Line 9 and enter the net overpayment of income and franchise taxes on Line 12. If the result is greater than zero, go to Line 16.

Line 13 – Donation of Overpayment to the Military Family Assistance Fund – A donation of all or part of your overpayment is allowed. This fund provides assistance to family members of activated Louisiana military personnel**.**

Line 14 – Refund – Enter the amount of overpayment that you want refunded.

Line 15 – Credit to 2011 – Subtract Lines 13 and 14 from Line 12 and enter the result. This amount represents the amount of overpayment credited to 2011.

Line 16 – Amount Due – If Line 12 is greater than zero, subtract Lines 10 and 11 from Line 9 and enter the result on Line 16.

Line 17 – Delinquent Filing Penalty – A delinquent penalty will be charged for failure to file a return on or before the due date, or your approved extension date. The penalty is 5 percent of the tax for each 30 days or fraction thereof during which the failure to file continues. By law, the maximum delinquent penalty that can be imposed is 25 percent of the tax due.

Line 18 – Delinquent Payment Penalty – The penalty for failure to pay the tax in full by the date the return is required by law to be filed, determined without regard to any extension of time for filing the return, is 5 percent of the tax not paid for each 30 days, or fraction thereof, during which the failure to pay continues. Delinquent filing and delinquent late payment penalties combined cannot exceed 25 percent. See LAC 61:III.2101.

Line 19 – Interest – If the tax is not paid by the due date, interest is imposed on the unpaid tax until the balance is paid in full. The interest rate varies from year to year, and the 2011 interest rate is posted on LDR's website in Revenue Information Bulletin 11-001. To compute the daily interest rate, divide the 2011 rate by 365 and carry out to seven places to the right of the decimal.

Line 20 – Additional Donation to the Military Family Assistance Fund – A donation may be made to the Military Family Assistance Fund if you do not have an overpayment to donate or if you wish to donate an amount that exceeds your overpayment. Payment for the donation must be submitted when filing the return.

Line 21 – Total Amount Due – Add Lines 16 through 20

Instructions for Schedule B - Liabilities and Capital – Computation of Franchise Tax Base

Schedule B – Balance Sheet

The Schedule B balance sheet should reflect the values of any assets as shown on the books, as provided in LAC 61:I.320. The corporation franchise tax law provides that all assets are deemed to have such values as reflected on the books of the corporation subject to examination and revision by the Secretary. The Secretary may increase the book value of assets up to cost to reflect the true value of surplus and undivided profits, but is prohibited from making revisions that would reflect any value below the amount reflected on the books of the taxpayer. A taxpayer may, at his own discretion, reflect values in excess of cost. In determining cost to which the revisions limitation applies, the fair market value of any asset received in an exchange of properties shall, in most cases, be deemed to constitute the cost of the asset to the taxpayer.

Corporations shall compute their tax liability on the basis of the portion of the total taxable base employed in Louisiana at the close of the preceding calendar or fiscal year. The phase out of the debt portion included in the franchise taxable base is complete and therefore debt is not included in the 2011 franchise taxable base. R.S. 47:603 was repealed by Acts 10 of the 2008 2nd Extraordinary Legislative Session to eliminate the debt portion of the corporation franchise tax base. However, the provisions of R.S 47:605.1 still apply to determine the amount, if any, of debt owed to affiliates appearing on a corporation's books that is considered equity investments by the affiliates for franchise tax purposes. See Revenue Information Bulletin 05-026.

Determination of Total Capital Stock, Surplus, and Undivided Profits

Capital Stock – Capital stock means all stock that is issued and outstanding. However, the cost of treasury stock may be deducted from earned surplus, limited to the extent of the surplus that was available when the treasury stock was acquired. Capital stock, whether par value or not, is deemed to have such value as is reflected on the books, subject to examination and revision by the Secretary, but in no event less than shown on the books.

Surplus, Undivided Profits, Etc. – Surplus and undivided profits shall be deemed to have such value as is reflected on the books of the corporation, subject to examination and revision by the Secretary. Reserves other than depreciation, bad debts, other established valuation reserves, etc., should be included. Examples of reserves to be included in surplus and undivided profits are reserves for contingencies, repairs, self-insurance, etc. In addition, any excessive valuation reserve should be included in the taxable base to the extent of such excess. The entire profit on installment obligations should be included in surplus regardless of whether deferred on the books. Many times, the deferred income tax account is included in "Other Liabilities." Because some items contained in "Other Liabilities" are considered to be surplus or undivided profits, consideration must be given to any item reported in "Other Liabilities" that is not truly debt. If that is the case, then 100 percent of the deferred income tax or any other item must be reported as "Earned surplus and undivided profits." DEFERRED INCOME TAX MUST BE INCLUDED IN THE TAXABLE BASE. See Revenue Information Bulletin 06-026 on the Department's website for additional information. In computing surplus and undivided profits, any amounts required by court order to be set aside and segregated in such manner as not to be available for distribution to stockholders or for investment in properties may be excluded from the franchise taxable base. In the event that surplus and undivided profits accounts reflect a negative figure or deficit, such deficit shall reduce the franchise taxable base. Refer to R.S. 47:605(A) for information concerning the reduction of surplus for depreciation sustained, but not taken on the books of corporations under the control of a governmental agency.

Louisiana Net Income

Schedule P – Computation of Louisiana Net Income
All corporations should complete Column 3. Those corporations that have been granted permission to use the separate accounting method should complete both Columns 2 and 3. All lines should be completed. These lines should be the same as the federal return except for the modifications under R.S. 47:287.71, 47:287.73, and 17:3095.

Line 8 – Other Income – Taxpayers should include all taxable income not reported on Lines 1 or 4 through 7. This includes profits and losses from the sales or exchanges of property that are taxable as apportioned income. See LAC 61:I.1134. Taxpayers should also include interest income elected to be taxed under R.S. 47:287.738(F)(2).

LINES 27A through 27E – Louisiana does not apply the business/non-business concepts outlined in the Multistate Tax Compact. Irrespective of whether the net income derived from sources within Louisiana is determined by use of the apportionment method or the separate accounting method, the law designates certain classes of income as allocable income that must be accounted for on a separate (direct) basis. See LAC 61:I.1130 available on the Department's website. The classes of income designated as allocable income and the basis upon which such income should be allocated are as follows:

A. Rents and royalties from immovable or corporeal movable property must be allocated to the state where the property is located at the time the income is derived.

B. Royalties or similar revenue from the use of patents, trademarks, copyrights, secret processes, and other similar intangible rights must be allocated to the state in which such rights are used. The use referred is that of the licensee. A mineral lease, royalty interest, oil payment, or other mineral interest shall be allocated to the state in which the property subject to such mineral interest is situated.

C. Estates, trusts, and partnerships having a corporation as a member or beneficiary must allocate and apportion their income within and without the state in accordance with the processes and formulas prescribed for corporations, and the share of any corporate member or beneficiary in the net income from sources in this state, so computed, must be allocated to this state in the return of the member or beneficiary.

D. Income from construction, repair, or other similar services must be allocated to the state in which the service is performed. The phrase "other similar services" means any work that has as its purpose the improvement of immovable property belonging to a person other than the taxpayer where a substantial portion of the work is performed at the location of such property, whether or not such services actually result in improvements to the property.

E. Other allocable income – This line should include interest income received from a controlled corporation that a corporation elects to tax under R.S. 47:287.738(F)(2). The interest shall be allocated to the state or states in which the real and tangible personal property of the controlled corporation is located. The allocation shall be made on the basis of the ratio of the value of such property located in Louisiana to the value of such property within and without the state. See LAC 61:I.1130.A.2.

Calculation of Net Allocable Income – From the total gross allocable income from all sources and from gross allocable income from Louisiana sources, there shall be deducted all expenses, losses, and other deductions, except federal income taxes, allowable under the Louisiana income tax law that are directly attributable to such income, plus a ratable portion of the allowable deductions, except federal income taxes, that are not directly attributable to any item or class of gross income.

LAC 61:I.1130 provides that overhead expense attributable to items of gross allocable income derived from sources within and without Louisiana, except gross allocable income from rent of immovable or corporeal movable property or from construction, repair, or other similar services, may be determined by any reasonable method that clearly reflects net allocable income from such items of income.

LAC 61:I.1130.B.2.a provides:

i. Overhead expense attributable to Louisiana gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services shall be deducted from such income for the purposes of determining Louisiana net allocable income or loss from such items of income. The amount of overhead expense attributable to such income shall be determined by multiplying overhead expense attributed to total gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services by the arithmetical average of two ratios, as follows:

   (a.) the ratio of the amount of Louisiana gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services to total gross allocable income from such sources;

   (b.) the ratio of the amount of direct cost incurred in the production of Louisiana gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services to total direct cost incurred in the production of such income.

ii. Overhead expense attributable to total gross allocable income derived from rent of immovable or corporeal movable property or from construction, repair, or other similar services shall be deducted from such income for the purposes of determining total net allocable income or loss from such items of income. The amount of overhead expense attributable to such income shall be determined by multiplying total overhead expense by the arithmetical average of two ratios, as follows:

   (a). the ratio of the amount of total gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services to total gross income derived from all sources;

   (b). the ratio of the amount of direct cost incurred in the production of total gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services to total direct cost incurred in the production of gross income from all sources.

iii. If the taxpayer has not maintained documents or records sufficient to compute the ratios required by this Subparagraph, the secretary shall, upon examination, determine the method by which to attribute overhead expense.

In addition to direct expenses and a ratable portion of overhead expenses, Louisiana Administrative Code 61:I.1130 specifies the method for attributing a portion of interest expense to allocable income. The method of allocation and apportionment for interest set forth in the regulation is based on the approach that money is fungible and that interest expense is attributable to all activities and property regardless of any specific purpose for incurring an obligation on which interest is paid. Exceptions to the fungibility method are set forth in LAC 61:I.1130.B.1.b. The fungibility approach recognizes that all activities and property require funds and that management has a great deal of flexibility as to the source and use of funds and that the creditors of the taxpayer look to its general credit for repayment and thereby subject the money loaned to the risk of all of the taxpayer's activities. You must refer to LAC 61:I.1130 for information regarding the computation of interest expense.

Lines 27A Through 27E – Net Allocable Income from all Sources – Print on Lines 27A through 27E of Column 2 the TOTAL net allocable income of each class, from all sources, net of all applicable expenses.

Line 28 – Net Income Subject To Apportionment – Subtract lines 27A through 27E from line 26, Column 3.

Line 29 – Net Income Apportioned To Louisiana – Multiply the amount on line 28 by the percentage from Schedule Q, Line 1D or Line 5, and print the result in Line 29, Column 3.

Louisiana Net Income

Line 30A Through 30E – Net Allocable Income From Louisiana Sources
Print on Lines 30A through 30E of Column 2 the LOUISIANA net allocable income of each class, from all sources, net of all applicable expenses.

LINE 31 – Add the net income apportioned to Louisiana, Line 29, Column 3 to the net income allocated to Louisiana, Lines 30A through 30E. If the separate method of accounting was used, print the amount from Line 25, Column 2. Enter this amount on Form CIFT-620SF, Line 1A.

Schedule Q – Computation of Income Tax Apportionment Percentage
R.S. 47:287.95 provides for an apportionment percent that is to be applied to the taxpayer's total net apportionable income in determining the Louisiana net apportionable income. Specific formulas are prescribed for air, pipeline, other transportation businesses, and certain service enterprises. A general formula is prescribed for manufacturing, merchandising and any other business for which a formula is not specifically prescribed. The statute contemplates that only one specific formula be used in determining the apportionment percent, that being the formula prescribed for the taxpayer's primary business. As a general rule, where a taxpayer is engaged in more than one business, the taxpayer's primary business shall be that which is the primary source of the taxpayer's net apportionable income. When the numerator and denominator are zero in any one or more ratios in the apportionment formula, such ratio shall be dropped from the apportionment formula and the arithmetical average determined from the total remaining ratios. You must refer to LAC 61:I.1134 available on the Department's website for complete information regarding the computation of the income tax apportionment percentage.

The income tax revenue and wage ratios are calculated on Schedule Q. The income tax property ratio is calculated on Form CIFT-620A, Schedule M. Schedule M and instructions can be found in Form CIFT-620. After completing Schedule M, print the income tax property ratio on Schedule Q, Line 3. Retain a copy of Schedule M with your records.

Businesses Other Than Those Described Below – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from any business not described below shall be the arithmetical average of three ratios, as follows:

1. The ratio of net sales made in the regular course of business and other gross apportionable income attributable to this state to the total net sales made in the regular course of business and other gross apportionable income of the taxpayer.
2. The ratio of the amount paid by the taxpayer for salaries, wages, and other compensation for personal services rendered in this state to the total amount paid by the taxpayer for salaries, wages, and other compensation for personal services in connection with the production of net apportionable income.
3. The ratio of the value of the immovable and corporeal movable property owned by the taxpayer and located in Louisiana to the value of the immovable and corporeal movable property owned by the taxpayer and used in the production of the net apportionable income.

Television and Radio Businesses – See R.S. 47:287.95(K) – Manufacturing or Merchandising – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of manufacturing or merchandising (manufacturing, producing, and/or selling tangible personal property) shall be computed by means of a single ratio, the ratio of net sales made in the regular course of business and other gross apportionable income attributable to this state to the total net sales made in the regular course of business and other gross apportionable income of the taxpayer.

This provision does not apply to the following:

- Any taxpayer subject to the tax imposed pursuant to Chapter 8 of Subtitle II of Title 47 of the Louisiana Revised Statutes (Tobacco Tax).
- Any taxpayer whose income is primarily derived from the production or sale of unrefined oil and gas.
- Any taxpayer defined as an integrated oil company per the United States Internal Revenue Code – 26 USC 291(b)(4), or integrated oil companies that refine, produce, and have marketing operations, whose income in Louisiana is principally derived from production and sale of unrefined oil and gas, and who also engage in significant marketing of refined petroleum products in Louisiana. Any corporation, whose activities during the taxable year do not include gross receipts from retail sales of oil and/or natural gas or gross receipts from refinery activities of oil and/or natural gas, will not be considered as an integrated oil company for Louisiana tax purposes.

AIR TRANSPORTATION – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of transportation by aircraft shall be the arithmetical average of two ratios, as follows:

1. The ratio of the amount of gross apportionable income derived from Louisiana sources to the total gross apportionable income of the taxpayer.
2. The ratio of the value of immovable and corporeal movable property, other than aircraft, owned by the taxpayer and located in Louisiana to the value of all immovable and corporeal movable property, other than aircraft, owned by the taxpayer and used in the production of apportionable income.

Wages and salaries are not considered.

Pipeline Transportation – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of transportation by pipeline shall be computed by means of the ratios provided in R.S. 47:287.95(F).

Transportation Other Than Air Or Pipeline – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of transportation, other than aircraft or pipeline, shall be the arithmetical average of two ratios as follows:

1. The ratio of the amount of gross apportionable income from Louisiana sources to the total amount of gross apportionable income of the taxpayer.
2. The ratio of the value of immovable and corporeal movable property owned by the taxpayer and located in Louisiana to the value of all immovable and corporeal movable property owned by the taxpayer and used in the production of apportionable income.

Wages and salaries are not considered.

Service Enterprises – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from a service business in which the use of property is not a substantial income-producing factor shall be the arithmetical average of two ratios, as follows:

1. The ratio of the gross apportionable income of the taxpayer from Louisiana sources to the total gross apportionable income of the taxpayer.
2. The ratio of the amount paid by the taxpayer for salaries, wages, and other compensation for personal services rendered in Louisiana to the total amount paid by the taxpayer for salaries, wages, and other compensation for personal services in connection with the production of the net apportionable income.

Property is not considered.